



# MONTANA UNIVERSITY SYSTEM

## Office of the Commissioner of Higher Education

---

46 N Last Chance Gulch ♦ PO Box 203201 ♦ Helena, Montana 59620-3201  
(406)444-6570 ♦ FAX (406)444-1469

DATE: November 12, 2008

TO: Senator Trudi Schmidt, Chair  
Legislative Finance Committee

FROM: Mick Robinson, Deputy Commissioner  
Office of the Commissioner of Higher Education

RE: Potential Impact of Economic Downturn

### *History & Indicators*

During economic downturns, an increase in unemployed workers has the potential of increasing enrollment in college, particularly two-year institutions. Retraining, upgrading skills, and pursuing new careers are paths many choose to pursue when the number of available jobs shrink and competition for existing jobs increase.

Recessions also have the potential of increasing enrollment in graduate programs. As job markets become tighter for bachelor's degree recipients, many choose to pursue graduate degrees.

Montana has an aging population that will impact the state even beyond the scope of the current recession. In the coming decade of baby boomer retirements, Montana will be in need of hundreds of employees with bachelor degrees to backfill vacant positions in such critical fields as healthcare, education, technology, accounting, and engineering. If we allow the current recession to depress the number of students who are pursuing four year degrees, Montana could face severe worker shortages in several key areas in the future.

Students will continue to seek access to higher education through cost saving methods such as distance learning. Saving money by taking on-line courses from home is an option already exercised by more the 6,000 students each semester. This number is likely to continue to grow as the University System develops more on-line opportunities for students.

The availability of financial aid during a recession is critical. College funds saved by families often are not enough to cover the cost of an education, particular during an economic downturn.

### ***Potential Action***

The following are potential actions the 2009 Legislature can take to help ensure access and affordability to the Montana University System:

- 1) Continued support for financial aid programs, particularly need-based aid directed at low-income students;
- 2) Full funding of Montana University System present law adjustments enabling the Board of Regents to minimize tuition increases; and
- 3) Continued support for university system initiatives related to two-year education and distance education.
- 4) Provide support for university system initiatives related to graduate education where those programs have a direct, positive impact on the Montana economy.